GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:3042
ANSWERED ON:21.03.2017
Crop Insurance
Chudasama Shri Rajeshbhai Naranbhai

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the details of per acre premium in rupees for crop insurance of irrigated and non-irrigated crops and the per acre amount assured separately;

(b) the details of sum assured for crop damage upto 25 per cent, 50 per cent, 75 per cent and 100 per cent, separately; and

(c) whether the Government would insure both irrigated and non-irrigated crops on the basis of production cost per acre and would ensure at least 1.5 times insurance of cost of production in case of cent per cent or more than 75 percent damage of crops, if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

???? ??? ????? ?????? ???????? ??? ????? ?????? (SHRI PARSHOTTAM RUPALA)
(a) to (c): Pradhan Mantri Fasal Bima Yojana (PMFBY) provides insurance cover for both irrigated and non-irrigated crops and areas notified by the concerned State Governments, on the basis of defined sum insured equal to Scale of Finance declared by the District Level Technical Committee (DLTC) of the concerned District and is broadly equal to average cost of cultivation of a particular crop in a particular area. As per provisions of scheme, State Government may notify irrigated and non-irrigated crops separately subject to availability of past yield data for requisite years and capacity to conduct Crop Cutting Experiments. As per provision of PMFBY actuarial premium rate charged by the companies is determined through the bidding process and varies depending upon the risk associated with crop and area/ cluster. However, the farmer is required to pay maximum premium of 2% of Sum Insured (SI) for Kharif season and 1.5% of SI for Rabi Season for food and oilseed crops and 5% of SI for annual commercial/horticultural crops and the remaining is shared equally by the Central and State Government. The per acre premium in rupees accordingly varies from crop to crop and area to area. The final claims are calculated and paid on the basis of percentage shortfall in yield whether 25%, 50%, 75% or 100% as as per the following formula:

$$\frac{\text{Threshold Yield (TY)} - \text{Actual Yield (AY)}}{\text{Threshold Yield (TY)}} \times \text{Sum Insured}$$

Where Threshold Yield for a crop in a notified insurance unit is the average yield of past seven years (excluding maximum of two calamity year(s) as notified by State Government/Union Territory) multiplied by applicable indemnity level for that crop.

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